

**THE US-JAPAN-INDIA-AUSTRALIA
QUADRILATERAL SECURITY DIALOGUE**

INDO-PACIFIC ALIGNMENT OR FOAM IN THE OCEAN?

Sophie Eisentraut / Bart Gaens



THE US–JAPAN–INDIA–AUSTRALIA QUADRILATERAL SECURITY DIALOGUE

INDO–PACIFIC ALIGNMENT OR FOAM IN THE OCEAN?

- In late 2017 the US, Japan, India and Australia re-launched the Quadrilateral Security Dialogue, commonly referred to as “the Quad”, marking the revival of a grouping in place during 2007–2008. The move received widespread attention, but was also strongly criticized as a potential anti-China alliance.
- During the ten-year gap, the four countries have significantly boosted security and defence cooperation, as evidenced by enhanced bilateral ties, regular trilateral dialogues, and expanded military exercises.
- The underlying motivations, levels of engagement, and views of the Quad as a possible instrument to balance against a strengthening Chinese role in the Indo-Pacific region vary for each of the grouping’s members.
- In spite of converging interests among the Quad’s members, the tangible risk of provoking China, the unsteady normative foundations of the grouping, the unpredictable impact of domestic politics, and the symbolic signal the formation of the group sends towards Beijing are all factors preventing a serious revival of the Quad.



SOPHIE EISENTRAUT

Visiting Senior Fellow
Finnish Institute of International
Affairs



BART GAENS

Project Director, CUSPP
Senior Research Fellow
Finnish Institute of International
Affairs

ISBN 978-951-769-568-8

ISSN 1795-8059

Language editing: Lynn Nikkanen.

Cover photo: Bart Gaens.

THE US–JAPAN–INDIA–AUSTRALIA QUADRILATERAL SECURITY DIALOGUE

INDO–PACIFIC ALIGNMENT OR FOAM IN THE OCEAN?

INTRODUCTION

In November 2017 the US, Japan, India and Australia re-launched the Quadrilateral Security Dialogue (QSD) after a ten-year hiatus. The meeting was little more than an informal consultation at the level of senior officials on “measures to ensure a free and open international order based on the rule of law in the Indo-Pacific”. Issues addressed included freedom of navigation and overflight, but also maritime security, terrorism, proliferation, and enhanced regional connectivity. The revival of “the Quad”, as it is commonly called, set off a flurry of references to a renewed attempt to create a potential anti-China alliance. The Chinese media criticised the gathering as a possible first step towards an Asian NATO. The Chinese Minister of Foreign Affairs, Wang Yi, on the other hand, compared the idea of reviving the Quad to sea foam, destined to dissipate soon.

Which of the two assessments is more plausible? To answer this question, the Briefing Paper first looks into the background of the revamped Quad, examines cooperation among the four members as it has developed since 2008, including at bilateral and trilateral levels, and analyses what each of the players involved aims to achieve through the grouping. The paper then concludes by assessing the future prospects for the forum.

BACKGROUND: QUAD I (2007)

The US–Japan security alliance and the US–Australia military alliance have been key elements of the US-created “Hub-and-Spoke” security system in the Asia Pacific since the end of the Second World War, and the US has significantly tightened strategic-military ties with India since the early 2000s.

The Quadrilateral Security Dialogue, however, is a Japanese idea. In a book that appeared just before the start of his first stint as Japanese Prime Minister in 2006, Shinzō Abe emphasized the need for Japan to take the lead in establishing a high-level strategic dialogue among the “Asia-Pacific Democratic G3 plus America”. According to Abe, there was a need to

discuss how the four countries could better cooperate and promote their common values in the rest of Asia.¹ The initial idea for the grouping may have derived from joint disaster relief operations between the four following the deadly tsunami that hit Southeast Asia in 2004.²

Building on the existing Trilateral Security Dialogue between the US, Japan and Australia, Abe’s proposal to include India in early 2007 resulted in a first meeting in May of that year. The meeting was followed in September 2007 by Exercise Malabar, a joint large-scale naval drill that had originated in 1992 and initially only included the US and India.

The dialogue, in combination with the war games off the Japanese island of Okinawa, aroused suspicion in Beijing that the Quad was aiming to become a military alliance directed against China. Soon after, however, the Quad died a quiet death. Japanese Prime Minister Abe resigned, and new Australian Prime Minister Rudd pulled out of the grouping, prioritizing good relations with China

BETWEEN QUAD I AND QUAD II

Since the demise of the Quad in 2008, the four countries involved have been seeking to boost their defence capabilities. India, for example, became the world’s fifth largest military spender in 2017. Furthermore, the Quad’s premature end must not obscure the fact that the US, Australia, India, and Japan have steadily strengthened their mutual ties in the fields of security and defence. This is evidenced by the regular occurrence of trilateral dialogues, in the continuation and expansion of naval exercises, and in propped-up bilateral ties (see infographics).

The four countries are now connected via three important trilateral meetings that ensure an ongoing strategic dialogue on issues of common concern: the

1 *Utsukushii kuni e* (“Toward a Beautiful Country”), Tokyo: Bungei shunjū, 2006, p. 164.

2 Chanlett-Avery, Emma. *Japan, the Indo-Pacific and the “Quad”*. Chicago Council on Global Affairs. February 14, 2018.

TRILATERAL MEETINGS

Australia-India-Japan trilateral dialogue

2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017*
------	------	------	------	------	------	------	------	------	------	------	-------

Australia-Japan-US trilateral strategic dialogue (TSD)

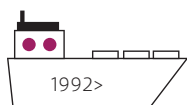
2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
------	------	------	------	------	------	------	------	------	------	------	------

India-Japan-US trilateral

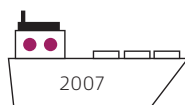
2006	2007	2008	2009	2010	2011	2012*	2013*	2014	2015*	2016	2017
------	------	------	------	------	------	-------	-------	------	-------	------	------

* Two meetings per year

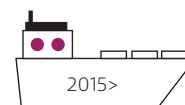
MALABAR NAVAL EXERCISE



US-India



US-India-Japan-Australia-Singapore



US-India-Japan

2+2 MEETINGS



US-Australia
since 1985



US-Japan
since 2005



Australia-Japan
since 2007



Japan-India
since 2010



Australia-India
since 2017



US-India
scheduled for 2018

Graphs: FIIA

Australia-Japan-US trilateral strategic dialogue (TSD), as well as the India-Japan-US and the Australia-India-Japan trilateral dialogues. The countries have also moved closer together on joint naval exercises. In 2015, Japan joined the Malabar exercise between the US and India as a third permanent member. More than ten years after first participating and then withdrawing from Exercise Malabar for fear of enraging China, Australia has now voiced interest in re-engaging. However, at least for Malabar 2018, its bid has been declined by India.

Bilateral ties among the four have also been upgraded. While Trump's efforts to seek stronger bonds with India were recently in the limelight, the greatest boost in relationships certainly occurred among Australia, Japan, and India. Their desire to strengthen cooperation among themselves is driven as much by growing suspicions of China as by serious fears of US retrenchment from Asia. As such, increased defence cooperation between Australia and Japan is also a combined effort to keep the US in the region. At the same time, both countries seek to reduce their dependency on America by significantly strengthening their ties

with India. In Australia's 2017 Foreign Policy White Paper – the first since 2003 – India is mentioned 64 times (as opposed to only six times in 2003). The two countries held their first two-plus-two foreign and defence secretaries meeting at the end of 2017 – a format already employed in all other bilateral relationships, except between the US and India.³ Institutionalized bilateral ties between Japan and India are also deepening: economic cooperation, infrastructure development, and connectivity projects, as well as security-related and military cooperation are increasingly rooted in a shared geostrategic rationale. Both countries seek to manage as well as minimize possible negative ramifications of the strong Chinese presence in the region, even if Japan sees China more as a physical threat whereas India is dependent on China for economic growth.⁴

While some observers rightly contend that the increasing amount of cooperation observed need

³ An inaugural two-plus-two between the US and India was scheduled for April 2018 but postponed due to the dismissal of US Secretary of State, Rex Tillerson.

⁴ Lynch, Thomas F. III and Przystup, James J. "India-Japan strategic cooperation and implications for U.S. strategy in the Indo-Asia-Pacific Region". *Institute for National Strategic Studies Strategic Perspectives*, no 24, March 2017.

not be equated with a substantive deepening of ties, there is no denying the fact that Australia, the US, Japan, and India are keenly aware of the importance of their mutual bonds and have made serious investments to strengthen them since 2008. In this light, how can the importance of the Quad be assessed, and what motivates each of its members?

QUAD PRO QUO? MOTIVATIONS AND INTERESTS OF THE FOUR MEMBERS

Australia

It was Australia that killed off the Quad in 2008. Reportedly, it did so without much consultation with its Quad partners. Instead, Kevin Rudd, a fluent Mandarin speaker, who had been elected prime minister in November 2007, unilaterally announced that the format had been a one-off and that Australia did not plan to pursue it further. Clearly, this decision was motivated by fears of antagonizing China – and Rudd’s personal hopes to reboot the Sino-Australian relationship. In fact, Rudd’s foreign minister, Stephen Smith, announced the decision to withdraw from the Quad while standing next to China’s foreign minister at that time, Yang Jiechi.

Rudd’s fears were not unjustified. While geographical distance from China has spared Australia the territorial disputes that roil India and Japan, Canberra possesses a unique vulnerability to Chinese pressure: its economy is highly dependent on China – far more than that of any other member of the Quad. While Australia’s export dependency on China was already pronounced under Rudd, it has since steadily increased. In 2017, China already accounted for almost 30 percent of Australian exports – iron ore and coal for the most part. Yet Rudd was also driven by the aim of turning Australia’s exclusive reliance on Washington into a much more balanced relationship – one in which close ties with Beijing would render Canberra a middleman between China and America.

These hopes were soon crushed by a series of political events that worsened Sino-Australian relations. The past year, 2017, was particularly sobering for Australians. Concerns about China were further fuelled by revelations that Beijing was actively targeting the Australian political system as well as Australian universities (where many Chinese nationals go to study) with bold influence campaigns, including by means of cash donations to Australia’s major parties and

politicians – one of which was reported to make a pro-China speech shortly after. After this wake-up call, Australia has adopted a tougher stance on China. This also explains the revived interest in the Quad. After all, the format allows Canberra to kill two birds with one stone: It may help bind the US, Australia’s long-standing ally, to the region, while simultaneously hedging against the US retreat by boosting ties with India – a country that not only possesses a powerful navy, but whose growing market may also help Australia reduce its economic dependency on China.

Yet Canberra’s renewed interest in the Quad may not obscure the fact that Australian politics is a little less divided over how to respond to China’s rise than it was a decade ago. In fact, the November meeting of the Quad incited a frantic debate between those Australian politicians who prefer to accommodate China and those who favour a much tougher stance. It is particularly the symbolism of Australia joining the Quad – and thus joining a group of China’s official rivals – that alarms the Quad’s fiercest critics.

India

Around a decade ago, India was highly reluctant to irk China in order to avoid military pressure or an economic backlash. Wary of giving the impression that an “encirclement of China” is the aim, New Delhi’s initial approach to the Quad was duly low-key and hesitant, and assurances were given to Beijing that the Quad was devoid of security implications.

China’s economic importance for India continues to sustain Indian prudence. China is India’s largest trade partner, and both economies are highly complementary. However, the increasing geopolitical competition with China has resulted in a clear change in New Delhi’s strategic orientation, and a greater willingness to hedge its bets through partnerships with others. This has given rise to enhanced defence cooperation with both Japan and the US. For instance, since 2014 India has had a “Special Strategic and Global Partnership” with Japan that primarily focuses on shared geo-economic interests, including infrastructure and connectivity, but which also has a strong security dimension encompassing bilateral and multilateral military exercises, cooperation in anti-piracy operations, on defence equipment and technology, and on the sharing of military intelligence. In general, India’s interests and geopolitical priorities have been increasingly

converging with those of the US, Japan and also Australia,⁵ particularly in the light of China's assertive actions in the South China Sea. In view of India's burgeoning economic links with ASEAN countries, India is strongly compelled to safeguard the freedom of navigation and establish a Code of Conduct for the South China Sea. Furthermore, establishing stronger links with other countries such as Japan and the US has also been a core component of India's "Act East" policy launched in 2014, which aims to serve as India's own pivot to Asia and increase economic and security cooperation in the region.⁶

In recent years, India has become increasingly wary of China's growing influence through the Belt and Road Initiative (BRI) in its neighbourhood, for example in Sri Lanka and Pakistan. New Delhi also feels threatened by China's strategic encirclement of India through the so-called "string of pearls" route connecting Chinese projects and investments in the Indian Ocean.⁷ One major motivation for India to support the Quad is thus the aim to include the US and Japan in particular in development projects in South Asia – and thereby balance against those of China.

A further concern is the fear that China's growing economic interests in the region might entail a stronger military presence in the Indian Ocean Region, especially after the establishment in 2017 of a Chinese naval base in Djibouti. India's territorial disputes with China's new ally Pakistan over Kashmir or with China itself over Aksai Chin and Arunachal Pradesh exacerbate those fears, as illustrated by the most recent Doklam border standoff between the Chinese and Indian armed forces. Boosting defence ties with regional partners has thus become more vital for New Delhi since 2008.

Japan

The prime driver of Japan's alignment policy, within as well as beyond the Quad, is the urge to counter what it perceives as China challenging the regional balance of power in East Asia, accompanied by Beijing's rapid militarization. The Japanese government has responded by legally enabling a more autonomous role for Japan in its security alliance with the US, and by beefing up its own military deterrence. In addition, Japan has been seeking to promote multipolarity in an inclusive

"Broader Asia" stretching from Australasia to India, and to form new partnerships to complement the US as its security provider. Since the 2000s, Japan has aimed to strengthen ties with like-minded Southeast Asian countries, and enhance strategic ties with European countries such as France and the UK. Tokyo has also expanded defence and military cooperation with India and Australia. This has included naval exercises with, and export of defence equipment to India, and close defence cooperation with Australia, through what has been labelled a quasi-alliance. Promoting the role of India in the regional power structure, by adding it to the trilateral dialogue with Australia and the US and thereby creating the Quad, was already high on Prime Minister Abe's agenda in 2007.

In addition, Abe has long been trying to establish a concert of democratic powers in Asia, launching policy concepts such as the "Arc of Freedom and Prosperity" (2007) and Asia's "Democratic Security Diamond" (2012). The former concept profiled Japan as a normative power and "one of the true veteran players" when it comes to honouring fundamental values such as human rights, democracy, the rule of law and a market economy. According to Abe, these traits call upon Japan to strengthen economic cooperation with and promote political stability in countries along a Eurasian arc. With the "Democratic Security Diamond", Japan proposed the formation of a diamond-shaped security alliance between Japan and Australia, India, and the US, in essence putting forward a democratically framed revival of the Quad.

A prime driver for Japan to regather the Quad has been China's increased assertive actions in the East and South China Seas. China's territorial claims to the Japan-controlled Senkaku/Diaoyu Islands, which became particularly vocal in 2012 after the Japanese government's acquisition of the islands from their private owner, and Beijing's territorial disputes with other nations in the South China Sea are seen by Tokyo as attempts to "change the status quo by coercion" in ways incompatible with the rule of law.⁸

Promoting maritime security and safeguarding access to maritime commons in the Indo-Pacific Ocean was certainly an important motivation for Japan's efforts to resurrect the Quad in 2017. It was reflected in frequent rhetoric alluding to a "Free and Open Indo-Pacific" (FOIP) – an expression also adopted by the Trump administration and the Quad more generally

5 See Ranjan, Vishal. "Australia and India in Asia: When 'Look West' meets 'Act East'". *Strategic Analysis* 40(5), September 2016.

6 See Gaens, Bart and Ruohomäki, Olli. "India's 'Look East' – 'Act East' Policy: Hedging as a foreign policy tool". *FIIA Briefing Paper* 222, May 2017.

7 Tonchev, Plamen. "Along the Road. Sri Lanka's tale of two ports". *EUSS Brief*, no 4, April 2018.

8 *National Security Strategy*, December 17, 2013, p. 12.

– that reflects concern about Chinese efforts to assert control over transport and energy supply routes in the seas from Asia to Africa. The FOIP concept also emphasizes the need to compete with China in terms of regional economic links, infrastructure development and connectivity. A nascent joint regional infrastructure plan was floated in February 2018 by Australia, the US, India and Japan to provide an alternative to China’s Belt and Road Initiative (BRI).⁹ Here, Japan finds a strong ally in India in particular. In 2017, Tokyo and New Delhi proposed their jointly envisioned “Asia-Africa Growth Corridor” focussing on connectivity and “quality infrastructure”,¹⁰ including large-scale strategic projects conducted together with the Asian Development Bank (ADB) and the private sector.

For Japan, the Quad’s strategic importance remains high, and Tokyo has been the Quad’s most ardent supporter. Nevertheless, also for Japan the grouping’s ultimate utility is largely determined by the extent to which it allows Tokyo to reset its ties with Beijing, in terms of both economic links and regional security issues.

United States

The role America seeks to assume in Asia has been characterized by just as much ambiguity as most foreign policy projects in the era of Trump. Trump’s initial moves and speeches (on many of which he has back-pedalled since) signalled retrenchment from the region, including his decision not to join the Trans-Pacific Partnership (TPP), his initial threat to withdraw US troops from Japan and South Korea, lest the allies pay more for their presence, and an early all-too-accommodating approach towards China. However, it was also Trump who, together with Abe, revived the Quad – ostensibly a grouping aimed at strengthening Indo-Pacific security cooperation in the wake of an increasingly assertive China.

Naturally, this raised hopes among America’s allies, Japan and Australia in particular, that Washington would stay committed to the region and would not leave its partners at the whim of Beijing. And in fact, Trump’s interest in the Quad is rather consistent with both the more hawkish China policy now adopted by Washington and related efforts to boost US-India relations.

While Trump’s China policy has fluctuated between confrontation and conciliation, he has now come full circle to the conflict-mongering rhetoric adopted during his election campaign and the early days of his presidency, where he questioned the One China policy and threatened to label China a “currency manipulator”. Since Trump’s decision to penalize China for its trade imbalance with the US and for intellectual property theft by imposing tariffs on Chinese imports of steel and aluminium, and by restricting Chinese investments in US technology companies, among others, Sino-American relations have become much more confrontational. In fact, the National Security Strategy (NSS) released in December 2017 suggests that Washington perceives China’s market-distorting practices and intellectual property theft as only one example of Beijing’s attempt to undercut American influence in the world. The NSS states that Chinese exploitation of the US innovation economy builds the very foundations for Beijing’s revisionist behaviour elsewhere, including Chinese efforts to “displace the United States in the Indo-Pacific region [...] and reorder the region in its favour”¹¹ – efforts that the NSS vows the US will contain.

Clearly, in this effort to counterbalance China’s rise, partnerships with powerful countries across the Indo-Pacific are vital assets. In this regard, India, as “a leading global power”¹², is particularly important. Consistent with this realization, the Trump administration has upgraded the strategic importance of its relations with New Delhi. While this upgrade has merely been a rhetorical one to date, it is visible across a wide range of official documents and statements, including the NSS (which features India much more prominently than the previous NSS), in former Secretary of State Tillerson’s urge to “dramatically deepen”¹³ US-India relations, and in Trump’s and his administration’s frequent talk of the “Indo-Pacific” rather than the “Asia-Pacific” – a concept that acknowledges a much greater role for India in the region.

Despite all this, doubt remains as to the profundity of Trump’s commitment to the Quad. In fact, the Quad meeting of November 2017 passed largely without comments by US officials. It was also not accompanied by an emerging grand strategy for Asia. Clearly, Washington may well strengthen the relationships needed

9 Australia, US, India and Japan in talks to establish Belt and Road alternative: report. Reuters, 19 February 2018.

10 Panda, Jagannath. “The Asia-Africa Growth Corridor: An India-Japan Arch in the making?” *Perspective & Analysis*, no 21, August 2017.

11 *National Security Strategy of the United States of America*, December 2017, p. 25.

12 *Ibid*, p. 46.

13 “Defining Our Relationship with India for the Next Century: An Address by U.S. Secretary of State Rex Tillerson”, *CSIS Event*, 18 October 2017.

for containing China through already existing formats – most importantly its two trilaterals with Japan, Australia, and India. Ten years ago, this was the dominant position of the State Department, which emphasized that the cornerstone of US security engagement with the region were the alliances with Australia and Japan and with Japan and South Korea (the Japan-India-US trilateral did not yet exist). Although State Department officials now voice more enthusiasm for the Quad and suggest they seek to build partnerships with like-minded states that go beyond existing formats, this raises another question: namely the question of whether the Quad is too limited a format for America's aims. After all, it does not include other important US partners in the region, South Korea in particular.

OUTLOOK: MORE THAN SEA FOAM IN THE INDO-PACIFIC?

The four countries consequently have converging interests in reviving the Quad, even if the focal point of their underlying motivations differs. But what are the chances of a true quadrangular alliance coming into being? Overall, the prospects for a serious revival of the Quad are rather bleak, for a number of reasons.

First, concerns among the four states that led to the demise of the Quad in 2008 have not dissipated. If anything, they have increased in recent years. Territorial disputes with China have intensified, while economic dependency on Beijing is clearly on the rise. This may have raised the four states' interest in coalition-building to contain China's rise, yet it has also greatly raised the stakes of provoking Beijing – stakes that still seem too high for anyone to bear, except the US.

Second, the emphasis on shared values as the foundation of the Quad, including commitment to democracy or free and open trade, runs the risk of remaining at the rhetorical level, thus undermining the format's legitimacy. For example, the countries' joint insistence on openness and on boosting "regional connectivity" in response to China's Belt and Road Initiative sits uneasily with Trump's retreat from the TPP and with his threat to impose tariffs even on partners like Japan.

Third, domestic politics can also pose an obstacle. Would the Quad survive if Abe stood down as Prime Minister of Japan, or if Australia's Turnbull was replaced by a leader bent on improving relations with China?

But fourth, and most importantly, the greatest benefit of the Quad appears to also be its weakest spot. After all, the main value-added of reviving the format – rather than relying only on trilaterals – seems to be the strong signal that it sends to Beijing. Yet it is precisely the fear of China's response to this signal that keeps most of the Quad's members from fully embracing the format.

For now, a lack of enthusiasm may also be reflected at the operational level. After all, since their meeting in November 2017, the four countries have neither spelled out nor taken any further steps towards regularized cooperation in the framework of the Quad.

Nevertheless, sobering findings concerning the Quad's revival must not obscure the fact that relations among the four countries – particularly in the fields of security and defence – have received a significant boost since 2008. While the Quad may be sea foam, security cooperation among Australia, Japan, India, and the US clearly is not. It is serious, it is growing – and it is here to stay. /